



HENGXIN
恒芯中國

Heng Xin China Holdings Limited 恒芯中國控股有限公司*

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 8046)



2011/2012
Third Quarterly Report
第三季業績報告

* For identification purpose only 僅供識別

IMPORTANT NOTICE

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors of Heng Xin China Holdings Limited (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to Heng Xin China Holdings Limited. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

重要事項

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

創業板的定位乃為相比起其他在聯交所上市之公司帶有較高投資風險之公司提供一個上市之市場。有意投資之人士應瞭解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之較高風險及其他特色表示創業板較適合專業及其他經驗豐富之投資者。

由於創業板上市公司新興之性質使然，在創業板買賣之證券可能會較於聯交所主板買賣之證券承受較大市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

香港交易及結算所有限公司及聯交所對本報告之內容概不負責，對其準確性或完整性亦無發表聲明，且明確表示不會就本報告全部或任何部份內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告乃遵照聯交所創業板證券上市規則（「創業板上市規則」）之規定提供有關本公司之資料。恒芯中國控股有限公司各董事（「董事」）對本報告所載資料願共同及個別承擔全部責任。董事在作出一切合理查詢後確認，就彼等所深知及確信，本報告所載資料在各主要方面均為準確及完整，且無誤導或欺詐成份，以及本報告並無遺漏其他事項致使本文件或本報告所載內容有所誤導。

RESULTS

The board of Directors (the "Board") of Heng Xin China Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months and nine months ended 31 March 2012 together with the comparative unaudited figures for the corresponding periods in 2011.

業績

恒芯中國控股有限公司(「本公司」)董事會(「董事會」)欣然公佈本公司及其附屬公司(統稱「本集團」)截至二零一二年三月三十一日止三個月及九個月之未經審核綜合業績，連同二零一一年同期之未經審核比較數字。

		Three months ended 31 March 截至三月三十一日 止三個月		Nine months ended 31 March 截至三月三十一日 止九個月	
		2012 二零一二年 (Unaudited) (未經審核) HK\$'000 千港元	2011 二零一一年 (Unaudited) (未經審核) HK\$'000 千港元	2012 二零一二年 (Unaudited) (未經審核) HK\$'000 千港元	2011 二零一一年 (Unaudited) (未經審核) HK\$'000 千港元
	Note 附註				
Revenue	收益	3	79,056	203,542	500,191
Cost of sales	銷售成本		(30,502)	(122,664)	(269,606)
Gross profit	毛利		48,554	80,878	230,585
Other income	其他收入	3	33,899	17,788	66,711
Selling and marketing expenses	銷售及市場推廣開支		(1,593)	(1,178)	(18,982)
Other operating expenses	其他經營費用		(19,741)	(17,710)	(62,313)
Finance costs	融資成本	4	(3,544)	(3,766)	(10,851)
Profit before taxation	除稅前溢利	5	57,575	76,012	205,150
Taxation	稅項	6	(8,304)	(7,991)	(34,651)
Profit for the period attributed to owners of the Company	本公司擁有人應佔期內溢利		49,271	68,021	170,499
Other comprehensive income	其他全面收入				
Exchange differences on translating foreign operations	換算海外業務之匯兌差額		7,129	5,179	30,507
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTED TO OWNERS OF THE COMPANY	本公司擁有人應佔期內全面收入總額		56,400	73,200	201,006
Earnings per share — basic	每股盈利 — 基本	7	1.98 cents 仙	2.74 cents 仙	6.85 cents 仙
— diluted	— 攤薄		1.98 cents 仙	2.59 cents 仙	6.71 cents 仙
Dividends	股息	8	—	—	—

Notes:

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in Bermuda on 9 September 2002 under the Companies Act 1981 of Bermuda (as amended). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company is an investment holding company. The shares of the Company have been listed on the GEM of the Stock Exchange since 16 April 2003.

The principal activities of the Group are engaged in digital cable television business, wireless digital terrestrial television network equipment integrated business, wireless digital television value-added services, research, design, development on and manufacturing of electronic message security products, integrated circuits, and the integrated circuit solutions and the related services.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited consolidated financial statements for the nine months ended 31 March 2012 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited consolidated financial statements have been prepared on the historical cost basis except for the financial instruments, which are measured at fair value. The accounting policies and methods of computation used in the preparation of the unaudited consolidated financial statements are consistent with those used in the annual financial statements for the year ended 30 June 2011. These unaudited consolidated financial statements should be read in conjunction with the Company's annual report for the year ended 30 June 2011. Those new accounting standards, amendments to accounting standards and interpretations which are mandatory for financial year ending 30 June 2012 have no material impact on the Group.

The unaudited consolidated financial statements have not been audited by the auditors of the Company, but have been reviewed by the Company's audit committee and were approved for issue by the Board.

附註：

1. 一般資料

本公司於二零零二年九月九日根據百慕達一九八一年公司法(經修訂)於百慕達註冊成立為受豁免有限公司。本公司註冊辦事處地址為 Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司為一間投資控股公司。本公司股份自二零零三年四月十六日起於聯交所創業板上市。

本集團之主要業務則包括從事有線數字電視業務、地面無線數字電視網絡設備集成業務、無線數字電視增值服務、研究、設計、開發及製造電子資訊安全產品、芯片，以及芯片之解決方案及相關服務。

2. 編製基準及會計政策

截至二零一二年三月三十一日止九個月之未經審核綜合財務報表乃按香港會計師公會頒佈之香港財務報告準則(「香港財務報告準則」)及創業板上市規則之適用披露規定編製。

未經審核綜合財務報表乃根據歷史成本基準編製，惟金融工具乃以公平值計量。編製未經審核綜合財務報表所採用之會計政策及計算方法與編製截至二零一一年六月三十日止年度之全年財務報表所採用者一致。該等未經審核綜合財務報表應與本公司截至二零一一年六月三十日止年度之年報一併閱讀。須於截至二零一二年六月三十日止財政年度強制採用之新訂會計準則、會計準則之修訂及詮釋不會對本集團構成重大影響。

未經審核綜合財務報表未經本公司核數師審核，但已經本公司之審核委員會審閱並由董事會批准刊發。

3. REVENUE

Revenue recognised by category during the three months and nine months ended 31 March 2012 are as follows:

3. 收益

截至二零一二年三月三十一日止三個月及九個月之收益分類確認如下：

		Three months ended 31 March 截至三月三十一日 止三個月		Nine months ended 31 March 截至三月三十一日 止九個月	
		2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核)	2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue	收益				
Digital cable television business	有線數字電視業務	38,440	42,543	112,062	71,557
Wireless digital television value-added services	無線數字電視增值服務	8,849	—	60,414	—
Wireless digital terrestrial television network equipment integration business	地面無線數字電視網絡設備集成業務	369	78,785	125,883	176,891
Encrypted integrated circuits and the derived integrated business	加密芯片及所產生之集成業務	1,845	14,223	46,134	93,928
Wireless digital audio products business	無線數字音頻產品業務	29,553	67,991	155,698	179,330
		79,056	203,542	500,191	521,706
Other income	其他收入				
Bank interest income	銀行利息收入	129	159	667	236
Gain on disposal of intangible assets	出售無形資產之收益	33,547	—	64,703	—
Realised gain on trading of listed securities	出售上市證券之已變現收益	—	9,525	—	10,236
Sundry income	雜項收入	223	8,104	1,341	15,372
		33,899	17,788	66,711	25,844

4. FINANCE COSTS

4. 融資成本

		Three months ended 31 March 截至三月三十一日 止三個月		Nine months ended 31 March 截至三月三十一日 止九個月	
		2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核)	2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核)
Effective interest expenses on convertible notes	可換股票據之實際利息開支	3,532	3,493	10,672	11,646
Interest element of finance leases	融資租約之利息	12	21	44	67
Interest on loan from a shareholder	股東貸款之利息	—	—	135	354
Interest on bank loans	銀行貸款之利息	—	252	—	561
		3,544	3,766	10,851	12,628

5. PROFIT BEFORE TAXATION

5. 除稅前溢利

The Group's profit before taxation is arrived at after charging:

本集團除稅前溢利乃經扣除下列各項後列賬：

		Three months ended 31 March 截至三月三十一日 止三個月		Nine months ended 31 March 截至三月三十一日 止九個月	
		2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核)	2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核)
Cost of inventories recognised as expense	確定為開支之存貨銷售成本	65,808	120,825	304,047	322,293
Depreciation	折舊	982	569	2,634	1,622
Exchange loss	匯兌虧損	25	—	2,425	—
Loss on fair value changes of financial assets at fair value through profit or loss	按公平值計入損益表之金融資產之公平值變動虧損	480	—	4,650	—
Operating lease charges on office premises	辦公室物業之經營租賃費用	2,481	676	4,857	2,473
Research and development costs	研究及開發成本	3,207	877	9,203	2,778
Staff costs (including Directors' emoluments)	員工成本(包括董事酬金)				
— salaries and allowances	— 薪金及津貼	5,680	4,281	15,115	11,309
— pension scheme contributions	— 退休金計劃供款	207	16	745	45

6. TAXATION

6. 稅項

		Three months ended 31 March 截至三月三十一日 止三個月		Nine months ended 31 March 截至三月三十一日 止九個月	
		2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核)	2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核)
Current tax:	即期稅項：				
Hong Kong	香港				
— charge for the period	— 本期間支出	—	—	—	—
Overseas	海外				
— charge for the period	— 本期間支出	8,304	7,991	34,651	14,828
		8,304	7,991	34,651	14,828

The provision for Hong Kong profits tax for the nine months ended 31 March 2012 is calculated at 16.5% (2011: 16.5%) of the estimated assessable profits for the period.

Taxation arising in other jurisdictions, mainly the PRC, is calculated at the rates prevailing in the respective jurisdictions. The applicable enterprise income tax rate for the PRC is 25%.

In accordance with the approval from the relevant tax authorities, Beijing Jinqiao Hengtai Technology Company Limited ("Beijing Jinqiao") and Beijing Zhongguang Shitong Technology Company Limited ("Beijing Zhongguang"), both wholly owned subsidiaries of the Group operating in the PRC, are entitled to two years' exemption from the PRC corporate income tax ("CIT") followed by three years' 50% relief from the CIT. The years ended 31 December 2008 and 31 December 2010 were the first profit-making year of Beijing Jinqiao and Beijing Zhongguang respectively for the purpose of CIT exemption.

截至二零一二年三月三十一日止九個月香港利得稅撥備以期內估計應課稅溢利按稅率16.5% (二零一一年：16.5%) 計算。

在其他司法權區(主要在中國)產生之稅項乃按各司法權區之現行稅率計算。中國適用之企業所得稅稅率為25%。

根據有關稅務機關之批准，於中國經營之本集團全資附屬公司北京金橋恒泰科技有限公司(「北京金橋」)及北京中廣視通科技有限公司(「北京中廣」)獲豁免繳納中國企業所得稅(「企業所得稅」)兩年，隨後三年則可享企業所得稅減半優惠。就豁免繳納企業所得稅而言，截至二零零八年十二月三十一日及二零一零年十二月三十一日止年度分別為北京金橋及北京中廣首個獲利年度。

7. EARNINGS PER SHARE

(a) Basic

Basic earnings per share for the three months ended 31 March 2012 is calculated by dividing the consolidated profit attributable to the owners of the Company for the three months ended 31 March 2012 of HK\$49,271,000 (2011: HK\$68,021,000) by the weighted average number of 2,487,592,000 (2011: 2,483,493,000) ordinary shares in issue during the period.

Basic earnings per share for the nine months ended 31 March 2012 is calculated by dividing the consolidated profit attributable to the owners of the Company for the nine months ended 31 March 2012 of HK\$170,499,000 (2011: HK\$151,465,000) by the weighted average number of 2,487,257,000 (2011: 1,970,528,000) ordinary shares in issue during the period.

(b) Diluted earnings per share

Diluted earnings per share for the three months ended 31 March 2012 is calculated by dividing the adjusted profit attributable to the owners of the Company for the three months ended 31 March 2012 of HK\$52,802,000 (2011: HK\$71,514,000) by the total of the weighted average number of ordinary shares of 2,671,455,000 (2011: 2,758,073,000) outstanding during the period, after adjusting for the effects of all dilutive potential ordinary shares.

The adjusted profit attributable to the owners of the Company for the three months ended 31 March 2012 is calculated based on the profit attributable to the owners of the Company for the period of HK\$49,271,000 (2011: HK\$68,021,000) as used in the calculation of basic earnings per share plus effective interest expenses on convertible notes of HK\$3,531,000 (2011: HK\$3,493,000).

Diluted earnings per share for the nine months ended 31 March 2012 is calculated by dividing the adjusted profit attributable to the owners of the Company for the nine months ended 31 March 2012 of HK\$181,170,000 (2011: HK\$163,111,000) by the total of the weighted average number of ordinary shares of 2,698,797,000 (2011: 2,445,163,000) outstanding during the period, after adjusting for the effects of all dilutive potential ordinary shares.

7. 每股盈利

(a) 基本

截至二零一二年三月三十一日止三個月之每股基本盈利乃按截至二零一二年三月三十一日止三個月本公司擁有人應佔綜合溢利49,271,000港元(二零一一年: 68,021,000港元)除以期內已發行普通股加權平均數2,487,592,000股(二零一一年: 2,483,493,000股)計算。

截至二零一二年三月三十一日止九個月之每股基本盈利乃按截至二零一二年三月三十一日止九個月本公司擁有人應佔綜合溢利170,499,000港元(二零一一年: 151,465,000港元)除以期內已發行普通股加權平均數2,487,257,000股(二零一一年: 1,970,528,000股)計算。

(b) 每股攤薄盈利

截至二零一二年三月三十一日止三個月之每股攤薄盈利乃按截至二零一二年三月三十一日止三個月本公司擁有人應佔經調整溢利52,802,000港元(二零一一年: 71,514,000港元)·除以期內已發行普通股加權平均數2,671,455,000股(二零一一年: 2,758,073,000股)之總額·經調整所有攤薄潛在普通股之影響後計算。

截至二零一二年三月三十一日止三個月本公司擁有人應佔經調整溢利乃按計算每股基本盈利所用之期內本公司擁有人應佔溢利49,271,000港元(二零一一年: 68,021,000港元)另加可換股票據之實際利息開支3,531,000港元(二零一一年: 3,493,000港元)計算。

截至二零一二年三月三十一日止九個月之每股攤薄盈利乃按截至二零一二年三月三十一日止九個月本公司擁有人應佔經調整溢利181,170,000港元(二零一一年: 163,111,000港元)·除以期內已發行普通股加權平均數2,698,797,000股(二零一一年: 2,445,163,000股)之總額·經調整所有攤薄潛在普通股之影響後計算。

7. EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share (Continued)

The adjusted profit attributable to the owners of the Company for the nine months ended 31 March 2012 is calculated based on the profit attributable to the owners of the Company for the period of HK\$170,499,000 (2011: HK\$151,465,000) as used in the calculation of basic earnings per share plus effective interest expenses on convertible notes of HK\$10,672,000 (2011: HK\$11,646,000).

The weighted average number of ordinary shares used in the calculation of diluted earnings per share for the three months and nine months ended 31 March 2012 is calculated based on the weighted average of 2,487,592,000 (2011: 2,483,493,000) and 2,487,257,000 (2011: 1,970,528,000) ordinary shares in issue during the period as used in the calculation of basic earnings per share plus the weighted average of 949,000 (2011: 20,588,000) and 1,325,000 (2011: 21,859,000) ordinary shares deemed to be issued at no consideration as if all the Company's share options had been exercised and the weighted average of 182,914,000 (2011: 253,992,000) and 210,215,000 (2011: 452,776,000) ordinary shares deemed to be issued at no consideration as if all the Company's convertible notes had been converted for the three months and nine months ended 31 March 2012 respectively.

The calculation of the diluted earnings per share for the three months and nine months ended 31 March 2012 did not assume the exercise of some of the Company's outstanding share options, convertible notes and warrants as their exercise prices were higher than the average market prices of the Company's shares for the corresponding period.

8. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 31 March 2012 (2011: Nil).

7. 每股盈利 (續)

(b) 每股攤薄盈利 (續)

截至二零一二年三月三十一日止九個月本公司擁有人應佔經調整溢利乃按計算每股基本盈利所用之期內本公司擁有人應佔溢利170,499,000港元(二零一一年: 151,465,000港元)另加可換股票據之實際利息開支10,672,000港元(二零一一年: 11,646,000港元)計算。

截至二零一二年三月三十一日止三個月及九個月之每股攤薄盈利所用之普通股加權平均數乃按計算每股基本盈利所用之期內已發行普通股加權平均數2,487,592,000股(二零一一年: 2,483,493,000股)及2,487,257,000股(二零一一年: 1,970,528,000股)另加視為無償發行之普通股加權平均數949,000股(二零一一年: 20,588,000股)及1,325,000股(二零一一年: 21,859,000股)(猶如本公司所有購股權已獲行使),以及視為無償發行之普通股加權平均數182,914,000股(二零一一年: 253,992,000股)及210,215,000股(二零一一年: 452,776,000股)(猶如本公司所有可換股票據已分別於截至二零一二年三月三十一日止三個月及九個月兌換)計算。

由於期內本公司部份尚未行使購股權、可換股票據及認股權證之行使價均高於本公司股份之平均市價,故此在計算截至二零一二年三月三十一日止三個月及九個月之每股攤薄盈利時並無假設該等購股權、可換股票據及認股權證已獲行使。

8. 中期股息

董事會不建議派發截至二零一二年三月三十一日止九個月之中期股息(二零一一年: 無)。

9. RESERVES

9. 儲備

		Unaudited 未經審核							
		Attributable to the owners of the Company 本公司擁有人應佔							
		Share premium	Capital reserve	Exchange fluctuation reserve	Other reserve	Share options reserve	Convertible notes reserve	Retained earnings	Total
		股份溢價 HK\$'000 千港元	資本儲備 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	其他儲備 HK\$'000 千港元	購股權 儲備 HK\$'000 千港元	可換股票據 儲備 HK\$'000 千港元	保留盈利 HK\$'000 千港元	總計 HK\$'000 千港元
Balance at 1 July 2010	於二零一零年七月一日 之結餘	491,372	2,325	3,905	—	1,696	300,800	242,306	1,042,404
Issue of new shares	發行新股份	252,315	—	—	—	—	—	—	252,315
Issue of convertible notes	發行可換股票據	—	—	—	—	—	14,917	—	14,917
Conversion of convertible notes	兌換可換股票據	288,059	—	—	—	—	(181,463)	—	106,596
Bonus issue of shares as final dividend	發行紅股作為末期股息	(610)	—	—	—	—	—	—	(610)
Share options exercised	已行使之購股權	69,338	—	—	—	(1,480)	—	—	67,858
Share issue expenses	發行股份開支	(2,295)	—	—	—	—	—	—	(2,295)
Recognition of share-based payments	確認以股份為基礎付款	—	—	—	—	669	—	—	669
Total comprehensive income for the nine months ended 31 March 2011	截至二零一一年 三月三十一日 止九個月之 全面收入總額	—	—	22,523	—	—	—	151,465	173,988
Balance at 31 March 2011	於二零一一年 三月三十一日 之結餘	1,098,179	2,325	26,428	—	885	134,254	393,771	1,655,842
Balance at 1 July 2011	於二零一一年七月一日 之結餘	1,107,946	2,325	40,861	(79,992)	11,215	134,254	444,248	1,660,857
Share options exercised	已行使之購股權	1,006	—	—	—	215	—	—	791
Share issue expenses	發行股份開支	—	—	—	—	—	—	—	—
Recognition of share-based payments	確認以股份為基礎付款	—	—	—	—	965	—	—	965
Total comprehensive income for the nine months ended 31 March 2012	截至二零一二年 三月三十一日 止九個月之 全面收入總額	—	—	30,507	—	—	—	170,499	201,006
Balance at 31 March 2012	於二零一二年 三月三十一日 之結餘	1,108,952	2,325	71,368	(79,992)	11,965	134,254	614,747	1,863,619

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

For the nine months ended 31 March 2012, the Group recorded a consolidated revenue of approximately HK\$500.2 million, representing a decrease of approximately 4.1% when compared to approximately HK\$521.7 million for the corresponding period in the last financial year.

Gross profit margin of the Group increased from approximately 37.4% for the corresponding period of last financial year to approximately 46.1% for the current nine-month period, resulting from the change of business mix.

Other income amounted to HK\$66.7 million for the nine months ended 31 March 2012, representing an increase of about 158.1% when compared to approximately HK\$25.8 million for the corresponding period of the last financial year. As far as the Group develops its businesses, the Group found that some of its intangible assets were not applicable to the Group's business. The Group therefore transferred its self-developed software and technology to its clients who need them, which substantially enhanced the sundry income for the nine months ended 31 March 2012.

Other operating expenses amounted to HK\$62.3 million for the nine months ended 31 March 2012, representing an increase of 62.6% when compared to approximately HK\$38.3 million for the corresponding period of the last financial year. The increase was principally due to the inclusion of the loss on fair value changes of securities held, the expansion of the digital cable television business units and the increase of research and developments costs and general administration costs such as staff salaries.

The profit attributable to owners of the Company amounted to approximately HK\$170.5 million for the nine months ended 31 March 2012, representing an increase of approximately 12.6% when compared to HK\$151.5 million over the corresponding period in the previous financial year. Basic earnings per share was approximately HK\$0.0685 for the nine months ended 31 March 2012, representing a decrease of approximately 10.9% compared to approximately HK\$0.0769 for the corresponding period of the last year.

As at 31 March 2012, the cash and bank balances of the Group amounted to approximately HK\$79.8 million, representing a decrease of approximately 47.7% when compared to approximately HK\$152.6 million as at 31 December 2011. Cash was mainly used for the purchases of components and equipment for the digital cable television business and inventories for resale. The gearing ratio of the Group, calculated as total borrowings over total assets, was approximately 0.002 (31 March 2011: 0.008).

管理層討論及分析

財務回顧

於截至二零一二年三月三十一日止九個月，本集團錄得綜合收益約500,200,000港元，較上一財政年度同期之約521,700,000港元減少約4.1%。

本九個月期間本集團之毛利率由上一財政年度同期之約37.4%增加至約46.1%，乃由於業務組合變動所致。

截至二零一二年三月三十一日止九個月之其他收入為66,700,000港元，較上一財政年度同期之約25,800,000港元增加約158.1%。隨著本集團業務之發展，本集團發現其部份無形資產並不適用於本集團之業務。因此，本集團將其自有之軟件及技術轉讓予其有需求之客戶，令截至二零一二年三月三十一日止九個月之雜項收入大幅增加。

截至二零一二年三月三十一日止九個月之其他經營費用為62,300,000港元，較上一財政年度同期之約38,300,000港元增加62.6%。此增加主要由於計入所持證券之公平值變動虧損、拓展有線數字電視業務單元以及研發成本及一般行政成本(如員工工資)增加所致。

截至二零一二年三月三十一日止九個月，本公司擁有人應佔溢利約為170,500,000港元，較上一財政年度同期之151,500,000港元增加約12.6%。截至二零一二年三月三十一日止九個月之每股基本盈利約為0.0685港元，較去年同期之約0.0769港元減少約10.9%。

於二零一二年三月三十一日，本集團之現金及銀行結餘約為79,800,000港元，較於二零一一年十二月三十一日之約152,600,000港元減少約47.7%。現金主要用於購買有線數字電視業務之元件及設備以及轉售存貨。本集團之資本負債比率(總借款除以總資產)約為0.002(二零一一年三月三十一日：0.008)。

As at 31 March 2012, the trade receivables amounted to approximately HK\$558.3 million representing a decrease of approximately 8.8% when compared to approximately HK\$612.3 million as at 31 December 2011. During the three months ended 31 March 2012, approximately HK\$91.8 million of trade receivables as at 31 December 2011 was settled. The Group will continue to strengthen the collection of its trade receivables. With generally poor financial environment, the Group has been adopting flexible collection methods, and has made good progress on the collection of debts by gaining in-depth knowledge of the problems of the Group's clients and providing continual better value-added services to the customers of its clients so as the Group's clients could collect their debts from their customers. It is expected that this will be proved to be more effective in the next quarter.

Business review

To adapt to the national "three networks integration" policies, the Group has been transforming from a wireless digital television equipment integrator to an operator of television broadcasting integrated businesses since 2010. With the business expansion and active operation in 2011, the Group has already obtained the operation rights on 9.2 million cable television subscribers in such provinces as Jiangxi, Anhui, Hebei and Shanxi for a term of 12 to 15 years, and the operation rights on the wireless television business in Hebei province. The Group has fully completed its transformation, and has established its position as an operator of television broadcasting integrated businesses in the industry.

(i) Digital cable television business

The Group has achieved stable progress for its network construction project in the integration of the three networks and greater than expected revenue for the digital cable television operational business in rural areas. The revenues in the nine months ended 31 March 2012 amounted to approximately HK\$112.1 million (around 23% of the total revenue of the Group). The revenue comprised operational revenues from basic subscription and other value added technology as well as market service income arising from the 1,000,000 subscribers of the Hebei rural television network and sales of digital cable television business related products. The basic network construction for 400,000 subscribers of broadcasting television in the rural areas is underway and expected to be completed in the first half of 2012.

於二零一二年三月三十一日，應收賬款約為558,300,000港元，較於二零一一年十二月三十一日之約612,300,000港元減少約8.8%。截至二零一二年三月三十一日止三個月，於二零一一年十二月三十一日之應收賬款約91,800,000港元已清償。本集團將繼續加強對應收賬款之回收力度。由於整體金融狀況欠佳，本集團採取靈活之催收方法，透過深入瞭解本集團客戶之問題，為客戶之客戶繼續提供更好之增值服務，以便本集團客戶能向其客戶收回債務，本集團回收債務收到良好效果。預計下個季度將會收到更佳效果。

業務回顧

配合國家「三網融合」之政策，本集團自二零一零年由無線數字電視設備集成商向廣電綜合業務運營商轉型。經過二零一一年之業務拓展及實際經營，本集團已獲得了在江西、安徽、河北、山西等省9,200,000用戶在12至15年內之有線電視業務運營權以及河北省之無線電視業務運營權。本集團已經全面完成轉型，並在業界奠定了廣電綜合業務運營商之地位。

(i) 有線數字電視業務

本集團之網絡建設項目於三網融合方面取得穩步發展，而農村地區之有線數字電視經營業務取得之收益亦超出預期。截至二零一二年三月三十一日止九個月之收益約為112,100,000港元（佔本集團總收益約23%）。收益包括河北農村電視網絡1,000,000用戶之基本認購及其他增值技術以及市場服務收入而產生之營運收益以及銷售有線數字電視業務相關產品。本集團已為農村地區400,000廣電用戶展開基礎網絡建設，並預期於二零一二年上半年竣工。

For the cable television business related product market, the sales performance was partially affected due to holidays in the first quarter of 2012, which is basically normal for the market. With the assistance of externally engaged market and technology experts, the Group has made steady progress on the development of client channels for the technology development, products and services, which set up a solid platform for further sales of products in the cable market. The Group won the bid for supply of MOCA products in Ningxia Autonomous Region (throughout the province), and will commence the supply in the next quarter. The demand from other existing clients declined this quarter, and it is expected to substantially increase in the next quarter.

The Group's existing operation right on value-added business covers areas such as Anhui and Nanchang of Jiangxi province. The Group has signed contracts on establishment and operation of value-added business for 5.5 million cable television subscribers. In Hebei province and Datong of Shanxi province, the Group has signed contracts on establishment and operation of basic television business for 3.7 million cable television subscribers. During the first quarter of 2012, the Group has completed the building of platform and testing for the 301 remote medical treatment project and the Group will enjoy the revenue from such project very soon.

(ii) Wireless digital television value-added services

Revenue for the nine months ended 31 March 2012 amounted to approximately HK\$60.4 million or 12% of the total revenue. The Group has signed contracts on wireless mobile digital television operation in Hebei province, which includes operation for value-added businesses such as 6,000 advertising display panels in public areas. During the first quarter of 2012, the Group has completed the construction of 1,000 display panels in public areas and the convenience payment project throughout Hebei province cooperated with 河北省一卡通 (Hebei One-Card) and 北京海科融通 (Beijing Haike Rongtong) stepped into the stage of implementation.

就有線電視業務相關產品市場而言，二零一二年第一季度由於節假日較多，影響了部份銷售業績，對於該市場而言基本屬於正常。在外聘市場及技術專家之協助下，本集團有關技術開發、產品及服務之客戶渠道在穩步推進，為下一步在有線市場上銷售產品提供了良好平台。本集團成功中標寧夏自治區(全省)MOCA產品供應，下個季度將開始供貨。其他在供應客戶本季度需求量較小，預計下個季度將有大幅提高。

本集團目前之增值業務運營權覆蓋安徽、江西南昌等地。本集團已簽約了建設運營5,500,000有線電視用戶之增值業務。在河北省及山西大同，本集團已簽約了建設運營3,700,000有線電視用戶之電視基礎業務。於二零一二年第一季度，本集團完成了301遠程醫療項目之平台搭建及測試，該項目很快會為本集團帶來收益。

(ii) 無線數字電視增值服務

截至二零一二年三月三十一日止九個月之收益約為60,400,000港元或佔總收益12%。本集團在河北省簽約了無線移動數字電視運營協議，包含6,000塊公共廣告顯示屏等增值業務之經營。於二零一二年第一季度，本集團完成1,000塊公共顯示屏之建設，而與河北省一卡通及北京海科融通合作之河北全省便民支付工程則進入實施階段。

(iii) Wireless digital terrestrial TV network equipment integration business

Approximately HK\$125.9 million or 25% of the total revenue of the Group in the nine months ended 31 March 2012 was derived from the construction projects of the wireless digital terrestrial television operating platform and the sales of related products. Steady progress has been made on the sales of set-top boxes during the third quarter ended 31 March 2012.

(iv) Encrypted integrated circuits and the derived integrated business

The revenue for the nine months ended 31 March 2012 generated from the encrypted integrated circuits and the derived integrated business and the related technical services amounted to approximately HK\$46.1 million or approximately 9% of the total revenue. During the third quarter ended 31 March 2012, the revenue from software sales and technical solution provision of this segment was materially affected due to less market demands and development cycle issues.

(v) Wireless digital audio products business

The revenue for the nine months ended 31 March 2011 generated from the wireless digital audio products business and the related technical services amounted to approximately HK\$155.7 million or approximately 31% of the total revenue. During the first quarter of 2012, the demand from both domestic and overseas markets was mediocre. The Group's market share has been growing correspondingly with the expanding scale of cooperation with the domestic and overseas customers over the past few years. This has provided the Group with an effective protection of high revenue as well as a profit driver in future.

(iii) 地面無線數字電視網絡設備集成業務

截至二零一二年三月三十一日止九個月，本集團總收益中約125,900,000港元或25%來自地面無線數字電視營運平台之建設項目及相關產品之銷售。截至二零一二年三月三十一日止第三季度，機頂盒銷售已取得穩步提升。

(iv) 加密芯片及所產生之集成業務

加密芯片及所產生之集成業務及相關技術服務於截至二零一二年三月三十一日止九個月產生之收益約為46,100,000港元或佔總收益約9%。截至二零一二年三月三十一日止第三季度，該分部軟件銷售及提供技術解決方案之收益，由於市場需求減少及開發週期問題而受到嚴重影響。

(v) 無線數字音頻產品業務

截至二零一一年三月三十一日止九個月，來自無線數字音頻產品業務及相關技術服務之收益約為155,700,000港元或佔總收益約31%。於二零一二年第一季度，國內外需求一般。隨著過去數年本集團與國內外客戶合作之規模擴大，本集團之市場份額亦相應增加，為本集團日後之高額收益提供有效保障及利潤增長點。

Prospects

The business plan of the Group for the future is to develop as the top three operators of television broadcasting integrated businesses in the PRC. The Group will engage in full-scale basic television broadcasting business, television broadcasting value added business and wireless television broadcasting business as well as satellite business according to the characteristics of the broadcasting television subscribers in different regions in mainland China.

The second quarter of 2012 is a quarter of continuing success of the Group's broadcasting operational business. The Group will reinforce, set up and properly operate the networks for its contracted broadcasting television subscribers, build a foundation for achieving the overall objectives of development of the Group, and more importantly, obtain some new cooperation opportunities in other provinces with further expansion of businesses in the existing cooperation provinces.

With the current progress of network construction, it is expected that the construction of network for around 1.7 million cable basic broadcasting television subscribers and cable value-added broadcasting television subscribers and 30,000 electronic signboards within the contracted regions will be completed by 2012. Moreover, approximately 3 million new broadcasting television subscribers will be entered into contracts, generating a promising growth in profit and long-term value for the Group.

The Group will also continue to increase the investment in research and development, production and sales services in digital cable television related products, and strive for better economic efficiencies.

前景

本集團未來之業務規劃，為發展成為中國前三大廣電綜合業務運營商。本集團將根據中國內地不同區域廣電用戶之特點，進行廣電基礎業務、廣電增值業務、廣電無線業務乃至衛星業務之全面運營。

二零一二年第二季度將是本集團廣電運營業務繼往開來之一個季度。本集團不僅需要逐步鞏固、建設及妥善運營已經簽約之廣電用戶所使用之網絡，為完成本集團之總體發展目標奠定基礎，更重要的是在其他省份獲得一些新的合作機會，並進一步擴展已合作省份之業務。

按照現在之網絡建設速度，預期在已簽約地區，二零一二年前將建設完成約1,700,000有線基礎廣電用戶及有線增值廣電用戶以及30,000塊電子廣告屏。此外，還將新簽約3,000,000廣電用戶，為本集團帶來可觀之利潤增長及長遠價值。

本集團亦將繼續加強對有線數字電視相關產品研發、生產及銷售服務之投入，並致力達至更理想之經濟效益。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2012, the interests and short positions of the Directors, the chief executive of the Company or their respective associates (as defined in the GEM Listing Rules) in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange were as follows:

董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債權證之權益及短倉

於二零一二年三月三十一日，本公司董事、主要行政人員或彼等各自之聯繫人(定義見創業板上市規則)於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及第8分部規定須知會本公司及聯交所之權益及短倉(包括彼等根據證券及期貨條例有關條文被當作或視為擁有之權益及短倉)；或根據證券及期貨條例第352條須記錄於該條所述登記冊內之權益及短倉；或根據創業板上市規則有關董事進行證券交易之第5.46條至5.67條須知會本公司及聯交所之權益及短倉如下：

Name 名稱	Capacity 身份	Number of shares 股份	Number of underlying shares 相關股份 (Note) (附註)	Approximate percentage of interests in the issued share capital 已發行股本中 權益概約百分比
Mr. Xiao Yan 肖彥先生	Beneficial owner 實益擁有人	2,273,334	1,500,000	0.15%
Mr. Feng Yongming 馮永明先生	Beneficial owner 實益擁有人	–	1,500,000	0.06%
Mr. Li Tao 李濤先生	Beneficial owner 實益擁有人	–	1,500,000	0.06%
Mr. Xu Lei 徐雷先生	Beneficial owner 實益擁有人	–	800,000	0.03%
Mr. Leung Wo Ping 梁和平先生	Beneficial owner 實益擁有人	–	800,000	0.03%
Mr. Dong Shi 董石先生	Beneficial owner 實益擁有人	–	800,000	0.03%
Mr. Hu Dingdong 胡定東先生	Beneficial owner 實益擁有人	–	800,000	0.03%

Note:

Underlying shares represent share options granted to the Directors and the chief executive of the Company pursuant to the share option scheme adopted by the Company on 13 March 2003.

附註：

相關股份指根據本公司於二零零三年三月十三日採納之購股權計劃授予本公司董事及主要行政人員之購股權。

Save as disclosed above, at no time during the nine months ended 31 March 2012 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or its associated corporation.

除上文所披露者外，本公司或其任何附屬公司於截至二零一二年三月三十一日止九個月內任何時間概無訂立任何安排，致使本公司董事及主要行政人員可藉收購本公司或其相聯法團之股份或債權證而獲得利益。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

主要股東於本公司之股份及相關股份之權益及短倉

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 31 March 2012, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital:

根據證券及期貨條例第336條存置之主要股東登記冊所載，於二零一二年三月三十一日，本公司已知悉下列持有本公司已發行股本5%或以上之主要股東權益及短倉：

Interests in the shares of the Company

於本公司股份之權益

Name of shareholder 股東名稱	Number or attributable number of shares or underlying shares held 持有之股份或相關股份 數目或應佔數目	Type of interests 權益類別	Approximate percentage of interests 權益概約 百分比
Choi Chung Lam (Note 1) 蔡忠林(附註1)	623,542,451 (L)	Interest in controlled corporation 受控法團權益	25.05%
Team Effort Investments Limited (Note 1)(附註1)	623,542,451 (L)	Beneficial owner 實益擁有人	25.05%
Li Haoping (Note 2) 李浩平(附註2)	403,863,306 (L)	Interest in controlled corporation 受控法團權益	16.22%
Lomond Group Limited (Note 2)(附註2)	357,724,863 (L)	Interest in controlled corporation 受控法團權益	14.37%
Easy Mount Enterprises Limited (Note 2)(附註2)	319,224,863 (L)	Beneficial owner 實益擁有人	12.82%

L: Long Position

L: 長倉

Notes:

1. Team Effort Investments Limited is wholly owned by Mr. Choi Chung Lam. Mr. Choi Chung Lam is deemed to be interested in the shares held by Team Effort Investments Limited.
2. The entire issued share capital of Easy Mount Enterprises Limited is owned as to 85% by Lomond Group Limited and 15% by Mr. Ho Wai Jung. Lomond Group Limited and Mr. Li Haoping are deemed to be interested in the 319,224,863 shares to be issued upon the exercising of the conversion rights attaching to convertible notes. Mr. Li Haoping is also deemed to be interested in the 38,500,000 shares held by Lomond Group Limited and 46,138,443 shares held by Wealtheme Limited. Both Lomond Group Limited and Wealtheme Limited are wholly owned by Mr. Li Haoping.

Save as disclosed above, as at 31 March 2012, the Directors or chief executives of the Company were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company under Section 336 of the SFO.

附註：

1. Team Effort Investments Limited由蔡忠林先生全資擁有。蔡忠林先生被視為於Team Effort Investments Limited持有之股份中擁有權益。
2. Easy Mount Enterprises Limited之全部已發行股本中由Lomond Group Limited擁有85%及由何偉頌先生擁有15%。Lomond Group Limited及李浩平先生分別被視為於可換股票據所附之換股權獲行使而須予發行之319,224,863股股份中擁有權益。李浩平先生亦被視為於Lomond Group Limited持有之38,500,000股股份及Wealtheme Limited持有之46,138,443股股份中擁有權益。Lomond Group Limited及Wealtheme Limited皆由李浩平先生全資擁有。

除上文所披露者外，於二零一二年三月三十一日，本公司董事或主要行政人員概不知悉有任何其他人士（本公司董事或主要行政人員除外）於本公司之股份或相關股份中，擁有證券及期貨條例第336條所載之任何權益或短倉。

EMPLOYEE SHARE OPTION SCHEME

Details of the employee share option scheme (“Share Option Scheme”) approved by the then sole shareholder of the Company on 13 March 2003 were disclosed in the annual report of the Company for the year ended 30 June 2011. A new employee share option scheme has been approved by the shareholders of the Company in the Company’s annual general meeting held on 30 December 2011. Details of which were set out in the Company’s circular dated 28 November 2011. The following shows the outstanding positions of the eligible persons as at 31 March 2012 with respect to their share options granted under the scheme:

員工購股權計劃

於二零零三年三月十三日當時本公司唯一股東批准之員工購股權計劃(「購股權計劃」)之詳情於本公司截至二零一一年六月三十日止年度之年報中披露。新員工購股權計劃已於二零一一年十二月三十日舉行之本公司股東週年大會上獲本公司股東批准，詳情載於本公司日期為二零一一年十一月二十八日之通函內。合資格人士根據計劃獲授予之購股權於二零一二年三月三十一日之結餘情況如下：

Participants 參與者	Number of Shares (Note) 股份數目 (附註)					As of 31 March 2012 截至 二零一二年 三月三十一日	Date of grant 授出日期	Exercise period 行使期	Exercise price per share 每股 行使價 HK\$ 港元
	As of 1 July 2011 截至 二零一一年 七月一日	Granted during the period 於期內授出	Exercised during the period 於期內行使	Cancelled during the period 於期內註銷	Lapsed during the period 於期內失效				
Directors 董事									
Mr. Xiao Yan 肖彥先生	2,273,334	-	(2,273,334)	-	-	-	18/02/2009	18/03/2009- 17/03/2012	0.358
	1,500,000	-	-	-	-	1,500,000	13/04/2011	14/05/2011- 12/03/2013	1.54
Mr. Feng Yongming 馮永明先生	1,500,000	-	-	-	-	1,500,000	13/04/2011	14/05/2011- 12/03/2013	1.54
Mr. Li Tao 李濤先生	1,500,000	-	-	-	-	1,500,000	13/04/2011	14/05/2011- 12/03/2013	1.54
Mr. Xu Lei 徐雷先生	800,000	-	-	-	-	800,000	13/04/2011	14/05/2011- 12/03/2013	1.54
Mr. Leung Wo Ping 梁和平先生	800,000	-	-	-	-	800,000	13/04/2011	14/05/2011- 12/03/2013	1.54
Mr. Dong Shi 董石先生	800,000	-	-	-	-	800,000	13/04/2011	14/05/2011- 12/03/2013	1.54
Mr. Hu Dingdong 胡定東先生	800,000	-	-	-	-	800,000	13/04/2011	14/05/2011- 12/03/2013	1.54
Subtotal 小計	9,973,334	-	(2,273,334)	-	-	7,700,000			
Other participants 其他參與者									
	22,300,000	-	-	-	-	22,300,000	13/04/2011	14/05/2011- 12/03/2013	1.54
	-	3,000,000	-	-	-	3,000,000	29/02/2012	01/03/2013- 29/02/2016	0.83
Total 總計	32,273,334	3,000,000	(2,273,334)	-	-	33,000,000			

Note:

Number of shares in the Company over which options granted under the Share Option Scheme is exercisable.

附註：

根據購股權計劃授出而可予行使之購股權所涉及之本公司股份數目。

LITIGATION

The Company was served on 20 December 2007 a writ of summons (the "Writ") whereby Mr. Chan Hak Kim, the plaintiff (the "Plaintiff") is claiming against Precision Assets Limited, being the first defendant, Mr. Tony Hoo, being the second defendant (the "2nd Defendant") and the Company, being the third defendant (together referred to the "Defendants"). The Plaintiff claims against the Company under a forbearance agreement which was allegedly made partly orally and partly in writing between the Plaintiff and the 2nd Defendant for and on behalf of the Defendants. Mr. Tony Hoo was a former executive Director who was appointed on 11 September 2002 and resigned on 5 June 2007.

The Plaintiff claims (the "Claim") against (1) the Company in the total sum of HK\$5,000,000 together with interest and costs by way of two cheques of the Company each being in the amount of HK\$2,500,000 respectively dated 30 June 2007 and 31 October 2007 given to the Plaintiff by the 2nd Defendant which were dishonoured due to account close; and (2) against the Defendants jointly and severally damages in the sum of HK\$25,000,000 and further or in the alternative, the total sum of HK\$5,000,000 due under the afore-mentioned cheques together with interest and costs.

The Plaintiff discontinued his claim against the Company and filed the notice of discontinuance on 22 November 2011. On 13 March 2012, the Company and the Plaintiff have entered into a consent order whereby the Plaintiff shall pay the Company a total sum of HK\$850,000 in full and final settlement of the Company's costs (including interests and thereon) and disbursements in this case by way of two instalments on 10 April 2012 and 31 May 2012 respectively. The Plaintiff has failed to pay the first instalment in the sum of HK\$450,000 and breached the consent order. The Company is now proceeding to recover the whole sum of HK\$850,000 from the Plaintiff.

Save as disclosed above, the Group was not engaged in any litigation or arbitration or claims of material importance which is known to the Directors to be pending or threatened by or against the Group as at 31 March 2012.

訴訟

本公司於二零零七年十二月二十日獲送達一份傳訊令狀(「令狀」)，據此，原告人陳克儉先生(「原告」)向首被告Precision Assets Limited、第二被告胡棟良先生(「次被告」)及第三被告本公司(統稱為「被告人」)提出索償。原告根據一份據稱由原告與次被告(代表被告人)部份以口頭方式及部份以書面形式訂立之延期償付協議向本公司提出索償。胡棟良先生乃前任執行董事，於二零零二年九月十一日獲委任並於二零零七年六月五日辭任。

原告就以下各項提出索償(「索償」)(1)透過兩張由次被告向原告開立日期分別為二零零七年六月三十日及二零零七年十月三十一日金額各為2,500,000港元之本公司支票(因戶口結束而未能兌現)，向本公司提出索償總金額5,000,000港元連同利息及費用；及(2)向被告人共同及個別提出索償損害賠償金額25,000,000港元及進一步或選擇在上述支票所欠付之總金額5,000,000港元連同利息及費用。

原告已中止對本公司之申索，並於二零一一年十一月二十二日將訴訟中止通知存檔。於二零一二年三月十三日，本公司與原告訂立同意令，據此，原告須分別於二零一二年四月十日及二零一二年五月三十一日分兩期向本公司支付總金額850,000港元，以全面及最終償付本公司於此案之費用(包括相關利息)及墊付費用。原告並無支付首筆分期款項450,000港元，故已違反同意令。本公司現正向原告追討全額850,000港元。

除上文所披露者外，於二零一二年三月三十一日，據董事所知，本集團概無涉及任何重大訴訟、仲裁或索償，而本集團亦無提出或面臨任何重大訴訟、仲裁或索償。

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or the controlling shareholders of the Company (as defined in the GEM Listing Rules) have any interest in a business, which competes or may compete with the business of the Group or had any other conflict of interests with the Group.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. As at the date of this announcement, the audit committee comprises three independent non-executive Directors, namely, Mr. Leung Wo Ping JP (Chairman), Mr. Dong Shi and Mr. Hu Dingdong.

The duties of the audit committee include reviewing the Group's annual reports and accounts, half-yearly reports and quarterly reports and providing advice and comments thereon to the Board. The audit committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Company, and to review the appointment of external auditors on an annual basis as well as to ensure independence of the continuing auditor.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its Code of Conduct for Securities Transactions by Directors throughout the nine months ended 31 March 2012. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by Directors during the nine months ended 31 March 2012.

董事於競爭業務之權益

本公司董事或控股股東(定義見創業板上市規則)概無於與本集團業務出現或可能出現競爭或與本集團有其他利益衝突之業務中擁有任何權益。

審核委員會

本公司已遵照創業板上市規則第5.28至5.29條成立具明文職權範圍之審核委員會。於本公告日期，審核委員會由三位獨立非執行董事組成，即梁和平先生，太平紳士(主席)、董石先生及胡定東先生。

審核委員會之職責包括審閱本集團年報及賬目、半年報告及季度報告，並就此向董事會提供建議及意見。審核委員會亦負責檢討及監督本公司之財務申報程序及內部控制制度，以及按年度基準檢討外聘核數師之委任及確保繼任核數師之獨立性。

董事進行證券交易守則

於截至二零一二年三月三十一日止九個月內，本公司已採納創業板上市規則第5.48至5.67條所規定之交易必守標準作為其董事進行證券交易守則。本公司經向全體董事作出具體查詢後，得悉截至二零一二年三月三十一日止九個月內，並無任何違反有關董事進行證券交易之交易必守標準之事宜。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 March 2012.

By Order of the Board
HENG XIN CHINA HOLDINGS LIMITED
Xiao Yan
Chief Executive Officer

Hong Kong, 11 May 2012

As at the date of this report, the Board comprises Mr. Xiao Yan (CEO), Mr. Feng Yongming and Mr. Li Tao as executive Directors; Mr. Xu Lei as non-executive Director; Mr. Leung Wo Ping JP, Mr. Dong Shi and Mr. Hu Dingdong as independent non-executive Directors.

This report will remain on the GEM website on the "Latest Company Announcement" page for at least 7 days from the date of its posting and on the website of the Company at www.hengxinchina.com.hk.

購買、出售或贖回本公司之上市證券

截至二零一二年三月三十一日止九個月，本公司或其任何附屬公司並無購買、出售或贖回本公司之任何上市證券。

承董事會命
恒芯中國控股有限公司
 行政總裁
肖彥

香港，二零一二年五月十一日

於本報告日期，董事會由執行董事肖彥先生（行政總裁）、馮永明先生及李濤先生；非執行董事徐雷先生；獨立非執行董事梁和平先生，太平紳士、董石先生及胡定東先生組成。

本報告將由刊登日期起計最少一連七天載於創業板網站之「最新公司公告」一頁內及本公司網站www.hengxinchina.com.hk。



Heng Xin China Holdings Limited
恒芯中國控股有限公司

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